



October 27, 2004

**Court orders two of Stephen Saccoccia's attorneys
to give up \$296,000 in fees**

**\$784,000 paid to four attorneys by the convicted money launderer
has been forfeited to the government**

A federal judge has ordered attorneys **Jack Hill**, of San Francisco, and **Kenneth O'Donnell**, of Providence, to pay the government \$297,000 in fees that they received from convicted money launderer **Stephen Saccoccia** because the source of the fees was subject to a 1991 Protective Order. Nearly \$784,000 in fees paid to Saccoccia's attorneys has been forfeited to the government because the money came from illicit sources.

United States Attorney Robert Clark Corrente announced the order, which Chief U.S. District Court Judge Ernest C. Torres issued on October 25 in U.S. District Court, Providence. Judge Torres ordered Hill to "disgorge" \$254,985, and O'Donnell \$42,000.

In 1993, Saccoccia was convicted of laundering the profits of Colombian drug dealers and was sentenced to 660 years in federal prison. He was also ordered to forfeit to the government \$136 million that was traceable to his money laundering. The government has since been pursuing Saccoccia's forfeited assets, including those portions paid to some of his attorneys.

In his October 25 order affecting Hill and O'Donnell, Judge Torres ruled that acceptance of the fees at issue violated a Protective Order, – issued shortly after Saccoccia's arrest in 1991 – freezing his assets, including \$140 million. Judge Torres restated part of an order he issued in 2001, in which he ruled that, because the fees in question had been paid after Saccoccia's

conviction, the attorneys should have known that the fees came from his money laundering activities.

Five attorneys

The rulings issued by Judge Torres stem from a January 1998 motion filed by the government seeking the forfeiture of fees paid to five of Saccoccia's attorneys. One of the attorneys, **Robert Luskin**, settled with the government two months later, forfeiting \$245,000 in fees. In 2001, Judge Torres ruled that three of the attorneys, Hill, O'Donnell, and **Stephen J. Finta**, of Fort Lauderdale, Florida, had to forfeit any fees that they had accepted after Saccoccia's conviction.

All three appealed Judge Torres' 2001 order to the First Circuit Court of Appeals. The Circuit Court denied Finta's appeal last year, and, as a result, he has to forfeit \$242,000 in fees paid to him after the conviction. Also last year, the Circuit Court partially upheld the appeal pressed by Hill and O'Donnell, finding that the fees were not forfeitable under federal forfeiture laws. However the Court suggested that they might be forfeitable on other grounds – because acceptance of the fees may have violated the 1991 Protective Order freezing Saccoccia's assets, and thus constituted civil contempt.

As invited to do so by the Circuit Court in its decision, the government filed a motion in February seeking a civil contempt order against Hill and O'Donnell. In his October 25 order, Judge Torres found that acceptance of the fees was, indeed, an act of civil contempt.

The fifth attorney named in the government's 1998 motion, **Lawrence Semenza**, did not have to forfeit any of his fees because they had been paid prior to Saccoccia's conviction.

Anonymous cash payments, gold bars

In his 2001 order, Judge Torres noted the suspicious manner in which some of the attorney's fees were paid: "Some payments were in the form of wire transfers from Switzerland,

where Saccoccia had secreted some of his assets, and others consisted of large amounts of cash delivered by anonymous individuals.” In its 1998 motion, the government had cited evidence of other forms of payment, including gold bars.

The forfeiture proceedings against Saccoccia are being prosecuted by Assistant U.S. Attorney Michael P. Iannotti, Assistant U.S. Attorney James H. Leavey, and Michael E. Davitt, a trial attorney at the Department of Justice, Asset Forfeiture and Money Laundering Section. The criminal case against Saccoccia and several codefendants was prosecuted by Mr. Leavey and Mr. Davitt, who at the time was an Assistant U.S. Attorney in Rhode Island.

The Saccoccia case was investigated by the Federal Bureau of Investigation, the Internal Revenue Service, Criminal Investigation Division, the Rhode Island State Police, Cranston Police and the U.S. Customs Service, which is now part of the Bureau of Immigration and Customs Enforcement.

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